GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:964
ANSWERED ON:27.07.2001
DISINVESTMENT OF VSNL
K. MURALEEDHARAN

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have taken any decision to sell Government`s 25 per cent stake in VSNL to the strategic partner with the approval of Inter-Ministerial Group (IMG);

(b) if so, the details thereof;

(c) whether the Government have taken any step to protect the worker`s interest and specific clauses for retirement/retrenchment; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) & (b) The Government has decided to retain 26% equity in VSNL and to disinvest 25% equity capitalthrough strategic sale and issue of 1.97% of equity capital in favour of employees of the company.

(c) & (d) According to the declared policy of disinvestment, the Government is committed to protect the interest of the employees. The terms and conditions of strategic sale are stipulated in the Shareholders Agreement and Share Purchase Agreement. The Shareholders Agreement and the Share Purchase Agreement for disinvestment in VSNL have not yet been finalized.